Umbra Market Review:
July 2025

Umbra MPS

July 2025

FOR PROFESSIONAL INVESTORS AND

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Umbra

Key Points From The Month

- July was a very strong month for Umbra's MPS offering with all portfolios finishing well ahead of their relevant ARC benchmark.
- Pleasingly, return drivers were eclectic in nature supported by strong performance from equities, fixed income and alternatives. This came despite a turbulent political backdrop which became elevated towards month end. The deterioration in Sterling (-3.8% in July versus the US Dollar) also aided the MPS's international bond allocation.
- Overall, we remain quite optimistic on the outlook for international markets, although volatility and geopolitics are likely to play their parts in market behaviour over the short term.
- For the UK, growth continues to be challenged by a confluence of factors ranging from the inability to reform a bloated public sector alongside a bulging welfare state. Unfortunately, this means structurally higher borrowing costs, weakening growth and the increasing likelihood of higher taxation on the private sector and middle-income earners.
- It's likely the UK has seen the peak in the "Laffer curve", whereby the net benefit of every tax increase becomes self-defeating given the knock-on impact to falling tax receipts due to lower economic growth.

Umbra MPS Range Performance (%): July 2025

Umbra MPS Portfolio	July 2025	3 Month	YtD 2025	Rolling 1 Year	2024	2023	2022	2021	2020	Total Ret Annlzd 2 Yr	Total Ret Annlzd 3 Yr	Total Ret Annlzd 5 Yr	Tracking Error 3 Yr	Beta 3 Yr	Std Dev 3 Yr
Umbra MPS P-Passive Defensive	2.37	4.15	2.15	4.74	5.83	6.57	-11.59	2.79	7.21	6.52	2.84	1.36	2.60	1.39	5.64
Umbra MPS D-Passive Defensive	1.73	3.43	2.56	4.59	5.41	5.92	-9.58	3.45	5.30	6.06	3.27	2.08	2.31	1.38	5.46
Umbra MPS Blended Defensive	2.05	3.89	2.44	5.18	6.14	6.36	-8.50	3.81	4.87	6.49	3.77	2.66	2.16	1.34	5.29
Umbra MPS Active Defensive	2.30	4.53	2.67	5.80	6.74	7.51	-7.31	4.95	4.96	6.94	4.67	3.66	2.23	1.31	5.24
Umbra MPS Income Defensive	2.05	4.08	3.38	5.91	6.33	6.60	-5.26	4.91	2.36	7.05	4.79	4.04	2.16	1.37	5.36
ARC Cautious PCI TR GBP	1.40	3.39	3.64	5.12	4.57	3.68	-7.60	4.23	4.20	5.51	3.04	2.44			3.77
Umbra MPS P-Passive Cautious	2.97	6.92	3.00	6.99	9.56	8.81	-9.85	7.67	8.66	8.70	5.47	4.58	3.49	1.51	6.34
Umbra MPS D-Passive Cautious	2.58	5.53	3.16	6.03	7.95	8.08	-9.56	7.39	6.81	7.68	5.01	4.33	3.08	1.09	6.25
Umbra MPS Blended Cautious	2.91	5.94	3.00	6.75	8.93	8.08	-6.48	7.90	5.83	8.06	5.87	5.35	3.01	1.41	5.84
Umbra MPS Active Cautious	3.08	6.69	3.04	6.83	9.55	10.89	-6.61	10.18	6.71	8.55	7.00	6.66	3.49	1.46	6.22
Umbra MPS Income Cautious	2.64	5.56	4.21	7.13	8.62	7.73	-2.13	9.52	1.52	8.58	6.66	6.80	1.60	0.99	5.91
ARC Cautious PCI TR GBP	1.40	3.39	3.64	5.12	4.57	3.68	-7.60	4.23	4.20	5.51	3.04	2.44			3.77
Umbra MPS P-Passive Moderate	3.52	8.34	3.51	8.03	11.17	9.94	-9.67	10.05	9.45	9.78	6.61	5.98	2.56	1.13	6.97
Umbra MPS D-Passive Moderate	3.01	6.57	3.32	6.56	9.38	9.25	-9.09	9.78	7.82	8.49	5.98	5.68	1.87	1.12	6.68
Umbra MPS Blended Moderate	3.22	6.82	2.85	6.74	9.92	9.23	-6.25	10.05	6.70	8.48	6.57	6.45	2.09	1.05	6.40
Umbra MPS Active Moderate	3.34	7.52	3.02	6.95	10.51	12.23	-6.79	12.42	7.80	9.05	7.69	7.69	2.55	1.10	6.78
Umbra MPS Income Moderate	2.78	6.10	4.88	7.26	9.07	8.65	-0.79	12.07	1.81	9.23	7.51	8.21	1.80	1.00	6.29
ARC Balanced Asset PCI TR GBP	2.30	5.84	4.33	5.90	6.41	5.79	-9.14	7.64	4.31	7.19	4.45	4.19			5.78
Umbra MPS P-Passive Balanced	4.01	9.65	3.83	8.95	12.85	10.99	-9.25	12.44	10.18	10.76	7.68	7.39	3.21	1.21	7.59
Umbra MPS D-Passive Balanced	3.47	7.43	4.25	8.02	11.14	10.65	-8.97	12.49	8.68	9.87	7.33	7.28	2.26	0.93	7.11
Umbra MPS Blended Balanced	3.54	7.56	3.62	7.96	11.50	10.50	-6.51	12.82	8.09	9.68	7.66	7.83	2.45	1.13	6.92
Umbra MPS Active Balanced	3.67	8.49	3.06	7.20	11.76	13.65	-7.31	15.11	9.25	9.75	8.44	8.81	3.16	1.18	7.41
ARC Balanced Asset PCI TR GBP	2.30	5.84	4.33	5.90	6.41	5.79	-9.14	7.64	4.31	7.19	4.45	4.19			5.78
Umbra MPS P-Passive Growth	4.43	10.92	4.21	9.85	14.46	12.11	-8.86	14.88	10.87	11.74	8.75	8.81	3.12	1.08	8.22
Umbra MPS D-Passive Growth	3.91	8.88	3.65	7.70	12.51	11.95	-8.76	14.87	9.88	10.29	8.04	8.37	2.36	1.06	7.87
Umbra MPS Blended Growth	3.77	8.61	3.10	7.48	12.42	11.89	-6.48	14.78	9.40	9.90	8.24	8.72	2.43	1.00	7.45
Umbra MPS Active Growth	3.86	9.30	3.23	7.63	13.02	14.64	-7.87	17.64	10.85	10.43	9.14	9.79	2.84	0.95	7.95
ARC Steady Growth PCI TR GBP	2.80	7.39	4.47	6.24	7.89	7.20	-10.23	10.24	4.56	7.98	5.36	5.54			7.08
Umbra MPS P-Passive Adventurous	4.87	12.17	4.44	10.66	16.15	13.15	-8.39	17.37	11.53	12.66	9.77	10.23	3.79	1.15	8.89
Umbra MPS D-Passive Adventurous	4.23	9.79	3.90	8.35	14.08	14.45	-8.91	17.03	11.99	11.28	9.52	9.95	3.18	1.10	8.34
Umbra MPS Blended Adventurous	3.96	9.33	3.31	7.50	13.15	14.09	-7.79	17.13	11.31	10.44	9.11	9.81	3.01	1.09	8.22
Umbra MPS Active Adventurous	4.20	10.25	3.07	7.99	14.38	16.33	-7.54	19.49	11.87	11.07	10.06	10.98	3.62	1.11	8.58
ARC Steady Growth PCI TR GBP	2.80	7.39	4.47	6.24	7.89	7.20	-10.23	10.24	4.56	7.98	5.36	5.54			7.08
Umbra MPS P-Passive Equity	5.71	14.65	5.37	12.59	19.41	15.50	-7.91	22.26	12.71	14.61	12.13	13.12	4.18	1.12	10.29
Umbra MPS D-Passive Equity	5.11	12.63	4.59	9.90	17.38	18.22	-10.23	22.07	16.07	13.40	11.76	12.58	4.10	1.07	9.92
Umbra MPS Blended Equity	4.82	11.92	3.78	8.75	16.14	17.58	-9.09	22.39	15.33	12.26	11.11	12.28	3.93	1.05	9.70
Umbra MPS Active Equity	4.81	12.63	3.26	8.88	16.39	19.17	-8.41	23.61	14.84	12.14	11.44	12.83	4.15	1.07	9.89
ARC Equity Risk PCI TR GBP	3.50	9.38	4.79	6.69	9.32	8.30	-11.40	12.31	5.82	8.83	6.25	6.81			8.46

All performance figures are shown in percentage (%) terms and are in GBP and are Net of underlying fund OCF's and Net of Umbra's AMC. Returns are Gross of any platform fee.

Umbra Building Blocks Performance (%): July 2025

Umbra MPS Portfolio	July 2025	3 Month	YtD 2025	Rolling 1 Year	2024	2023	2022	2021	2020	Total Ret Annlzd 2 Yr	Total Ret Annlzd 3 Yr	Total Ret Annlzd 5 Yr	Tracking Error 3 Yr	Beta 3 Yr	Std Dev 3 Yr
Umbra Absolute Return Portfolio	1.84	2.04	2.93	3.59	6.87	2.70	3.11	12.00	4.07	5.27	3.91	5.92	3.45	0.60	3.85
ARC Cautious PCI TR GBP	1.40	3.39	3.64	5.12	4.57	3.68	-7.60	4.23	4.20	5.51	3.04	2.44			3.77
Umbra Multi Asset Balanced Portfolio	2.05	4.51	1.06	3.77	9.58	7.80	-4.82	14.65	8.21	7.37	5.35	6.74	2.77	1.11	6.95
ARC Balanced Asset PCI TR GBP	2.30	5.84	4.33	5.90	6.41	5.79	-9.14	7.64	4.31	7.19	4.45	4.19			5.78
Umbra Multi Asset Adventurous Portfolio	3.47	6.75	2.39	5.14	10.86	11.74	-5.84	19.68	13.77	9.16	7.46	9.34	3.03	1.11	8.36
ARC Steady Growth PCI TR GBP	2.80	7.39	4.47	6.24	7.89	7.20	-10.23	10.24	4.56	7.98	5.36	5.54			7.08

All performance figures are shown in percentage (%) terms and are in GBP and are Net of underlying fund OCF's and Net of Umbra's AMC. Returns are Gross of any platform fee.

Equities

- Global equities, as measured by the MSCI All Country World Index, gained +1.4% in July, bringing their year-to-date performance to a robust +11.5%
- US equities continued to reach new record highs, with the S&P 500 rising 2.2% and the Nasdaq 100 advancing 3.7%. While earnings growth has remained resilient - particularly among large-cap technology names - valuation multiples are increasingly elevated. The S&P 500 is currently trading at a forward P/E of 22.2x, above its 5- and 10-year averages of 19.9x and 18.5x respectively, suggesting a relatively full valuation environment where more attractive opportunities may lie outside the most richly priced segments.
- European equities (MSCI Europe ex-UK) were broadly flat for the month. Gains in healthcare and financial sectors, supported by solid corporate earnings and some easing of trade tensions, were offset by weakness in information technology. ASML, a key supplier to the global semiconductor industry, lowered its growth outlook amid heightened uncertainty surrounding the global tariff regime. Rate-sensitive sectors such as real estate and utilities underperformed following the European Central Bank's decision to maintain policy rates at 2%, with President Christine Lagarde indicating the easing cycle is likely approaching its end.
- UK equities delivered positive returns in July, led by strength in energy, healthcare, consumer staples, and telecommunications sectors. Particularly strong earnings from banking and mining companies contributed to the FTSE 100 index breaking the 9,000 level for the first time in its history.
- Emerging market equities outperformed their developed market counterparts, with the MSCI Emerging Markets Index rising 2.0% over the month. Taiwan and South Korea were standout performers, benefiting from sustained capital investment in AI-related infrastructure and semiconductor capacity expansion. China also posted strong gains (+4.4%), supported by the easing of US export restrictions on advanced semiconductor technology and further signs of economic resilience, with GDP growing 5.1% year-on-year, driven by robust exports and manufacturing.

Performance is shown in local currency terms unless stated otherwise

Fixed Income

- Global bond markets faced renewed upward pressure on yields in July, as concerns around fiscal discipline and geopolitical trade frictions dominated investor focus. The Citigroup World Government Bond Index fell -1.8%.
- In the US, President Trump signed into law the expansive ‘Big Beautiful Bill’, a policy package combining tax cuts with increased spending, partially offset by reductions in social support programmes. Overall, the package was viewed as fiscally expansionary, prompting a rise in Treasury yields. The on-again, off-again (one-sided) spat between President Trump and Federal Reserve Chair Jerome Powell resurfaced, briefly raising questions over central bank independence, though Trump denied any intent to remove Powell from office.
- In Japan, the government’s fiscal trajectory became a growing concern ahead of upper house elections, which resulted in the ruling coalition losing its majority. The Bank of Japan maintained its policy rate at 0.5%, but an upward revision to its inflation forecast sparked renewed speculation over the pace and extent of future tightening.
- Gilt markets experienced volatility amid political uncertainty following the government’s decision to reverse welfare cuts - raising concerns about the durability of the country’s fiscal rules. This was compounded by speculation around Chancellor Rachel Reeves’ future after her tearful appearance in the Commons.
- Conversely, credit markets posted positive returns, supported by improved sentiment and stronger-than-expected corporate earnings. The Bloomberg US Investment Grade Index eked out a modest gain of +0.1%, while the Bloomberg Global High Yield Index rose +0.4%.

Alternatives

- Alternatives were positive across the board in July with the ongoing easing in global monetary and fiscal policies supporting longer duration assets. The AI revolution continues to drive growth across supply chains from data centre construction and operation to power supply and generation. Our holding in the iShares Global Infrastructure ETF (+3.9% in July) continues to be exposed to this secular global theme.

Disclaimer

Umbra Capital Partners LLP, Registration number: OC425068 Address: 10 Lower James Street, London, UK, W1F 9EL Telephone number: +44 (0) 207 460 1030.

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